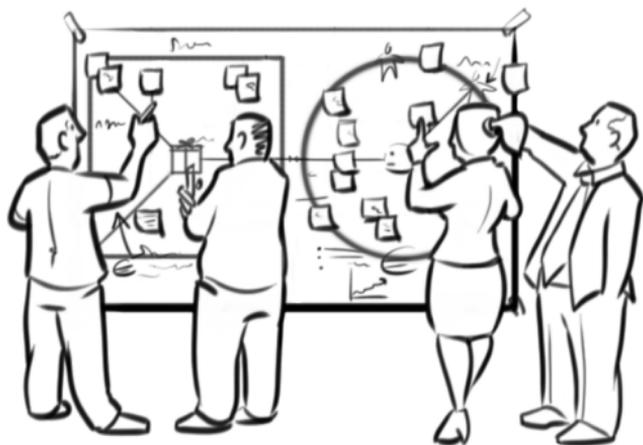


The Value Proposition Canvas

Instruction Manual



The Value Proposition Canvas is a plug-in tool to the Business Model Canvas. It allows you to describe your Value Propositions and the target Customer Segments in more detail and evaluate the “fit” between the value you intend to create and the expectations your customers have.

You can use this map before, during and after developing an in-depth knowledge of your customers. If you use it before, it will highlight what you need to learn about customers and test about value propositions. If you use it after, it will help you analyze and evaluate “fit”.

The Value Proposition Canvas can be applied to new and existing value propositions and customer segments alike. In both cases it will help you structure your thinking and make your ideas more tangible.

Materials

Value Proposition Canvas Poster:

Ideally in B1 format

(707mm x 1000mm or 27.83in x 39.37in)

Medium sized Stattys in green, orange, and yellow:

See stattys.com for refills

Thick markers:

Keep your ideas rough

Strategyzer.com, the Business Model Toolbox for iPad, or a Camera:

To capture and share the results sketched out on your Canvas

Ground Rules

Don't write on the map:

By using Stattys to describe your thoughts you will be able to move things around, onto as well as off the map. This is a very dynamic exercise and your value proposition as well as your customer understanding will change and evolve.

One idea per Statty:

Don't make bullet points on Stattys. For instance, use two Stattys to describe two different elements your customers value, like a lower price and better

performance. This will allow you to play around with the elements of your value proposition and modify things when you learn from talking to customers.

Instructions

Start with customer jobs:

Start sketching out your map by describing what jobs a specific customer of yours is trying to get done. Create a Statty in the Customer Job(s) box for every major and ancillary job you intend to help your customer get done.

Add pains and gains:

Create a Statty in the Pains box for every pain your customer experiences or could experience before, during, and after getting the job done. Create a Statty in the Gains box for every benefit your customer expects, desires or would be surprised by.

Describe your products and services:

List all the products and services your value proposition is built around by creating a Statty for each element in the Products & Services box.

Outline how you intend to create value:

Describe how your products and services create value by either killing customer pains or creating customer gains. Create a sticky note for each element in the Pain Relievers or Gain Creators box respectively.

Best Practices



Colour coding:

Using different colours for the different elements can help you “read” the map more quickly. You can use yellow Stattys in the Customer Job(s) and Products & Services box, orange Stattys in the Pains box, and green Stattys in the remaining boxes, since they are all related to value creation.



Visuals & words:

Combining images and words to describe the elements of your map is more powerful than just using words. Our brain processes images quicker than words. Hence, images will allow viewers of your map more rapidly grasp the big picture.



Customer Knowledge:

Bring in people who are in frequent contact with the customers you are targeting and thus have deep customer knowledge.

Frequently Committed Mistakes



Trying to alleviate every pain and target every gain:

Mediocre or bad value propositions try to address every customer pain and gain they have identified and then often fail to deliver.

Great value propositions often focus on a limited number of pain relievers and gain creators and then deliver on those exceptionally well.



Mixing present and future:

Make sure you clearly distinguish between presently existing and future ideas. Mixing them can be confusing. You can easily distinguish between the two by using colour coding or by using separate maps.



One map per Value Proposition:

You shouldn't try to sketch out several value propositions and customer segments on the same map. Focus on one value proposition for a specific customer segment on a single map. Make a new map for a different Value Proposition.



Intellectual masturbation:

A great Value Proposition with a great “fit” on paper is just an untested fantasy. Use the Value Proposition Canvas as a starting point to get out of the building and investigate your assumptions. Ask yourself if you really understand which jobs are important to customers and what the related pains and gains are. Test if your assumptions about how your products and services will relieve pains and create gains are valid.

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